

SENATE BILL No. 164

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-37-7.

Synopsis: Personal property tax undervaluation penalty. Increases from 5% to 10% the threshold for application of the penalty for undervaluation of property on a personal property tax return, and decreases the penalty from 20% to 10% of the taxes due on the undervaluation.

Effective: July 1, 2003.

Kenley

January 7, 2003, read first time and referred to Committee on Finance.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

SENATE BILL No. 164

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-37-7, AS AMENDED BY P.L.90-2002,
2 SECTION 261, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2003]: Sec. 7. (a) If a person fails to file a
4 required personal property return on or before the due date, the county
5 auditor shall add a penalty of twenty-five dollars (\$25) to the person's
6 next property tax installment. The county auditor shall also add an
7 additional penalty to the taxes payable by the person if ~~he~~ **the person**
8 fails to file the personal property return within thirty (30) days after the
9 due date. The amount of the additional penalty is twenty percent (20%)
10 of the taxes finally determined to be due with respect to the personal
11 property which should have been reported on the return.

12 (b) For purposes of this section, a personal property return is not due
13 until the expiration of any extension period granted by the township
14 assessor under IC 6-1.1-3-7(b).

15 (c) The penalties prescribed under this section do not apply to an
16 individual or ~~his~~ **the individual's** dependents if ~~he~~ **the individual:**

17 (1) is in the military or naval forces of the United States on the



assessment date; and

(2) is covered by the federal Soldiers' and Sailors' Civil Relief Act.

(d) If a person subject to IC 6-1.1-3-7(d) fails to include on a personal property return the information, if any, that the department of local government finance requires under IC 6-1.1-3-9 or IC 6-1.1-5-13, the county auditor shall add a penalty to the property tax installment next due for the return. The amount of the penalty is twenty-five dollars (\$25).

(e) If the total assessed value that a person reports on a personal property return is less than the total assessed value that the person is required by law to report and if the amount of the undervaluation exceeds ~~five ten~~ percent (~~5%~~) **(10%)** of the value that should have been reported on the return, then the county auditor shall add a penalty of ~~twenty ten~~ percent (~~20%~~) **(10%)** of the additional taxes finally determined to be due as a result of the undervaluation. The penalty shall be added to the property tax installment next due for the return on which the property was undervalued. If a person has complied with all of the requirements for claiming a deduction, an exemption, or an adjustment for abnormal obsolescence, then the increase in assessed value that results from a denial of the deduction, exemption, or adjustment for abnormal obsolescence is not considered to result from an undervaluation for purposes of this subsection.

(f) A penalty is due with an installment under subsection (a), (d), or (e) whether or not an appeal is filed under IC 6-1.1-15-5 with respect to the tax due on that installment.

SECTION 2. [EFFECTIVE JULY 1, 2003] (a) IC 6-1.1-37-7, as amended by this act, applies only to property taxes first due and payable after December 31, 2003.

(b) This SECTION expires January 1, 2005.

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